



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

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DAVID E. JANSSEN
Chief Administrative Officer

July 19, 2004

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

To: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

From: David E. Janssen
Chief Administrative Officer

**HALF CENT SALE TAX ORDINANCE - RELATES TO ITEM S-1, AGENDA OF
JULY 20, 2004**

I am requesting the following two changes be made to the half cent sales tax ordinance transmitted by memo from County Counsel dated July 15, 2004. The changes are as follows:

- 1) Change the required vote from majority to two-thirds vote of the Board of Supervisors to allow for an adjustment to the Maintenance of Effort (MOE) necessitated by reductions in state and federal assistance, or reductions in any other revenue source beyond the control of that local government entity (Page 2, Section 2, (C) and Page 11, Section 3, 4.69.050, (C), 2), which now is shown as page 12 on the attachment.
- 2) Change the adjustment of the MOE beginning in Fiscal Year 2005-06 from the Consumer Price Index to the actual growth in the Public Safety and Homeland Security Act revenues (Page 11, Section 3, 4.69.050, (C), 1).

Revised language, drafted by County Counsel, is attached. If you have any questions, please let me know, or your staff may contact Debbie Lizzari at (213) 974-6872.

DEJ:DL:alc
Attachment

c: Executive Officer, Clerk of the Board
County Counsel
Auditor-Controller
Sheriff
District Attorney

enforcement agencies shall not be reduced below the adopted budget for the 2003/04 fiscal year.

The adopted budget for the 2003/04 fiscal year may be adjusted to reflect reduced expenditures necessitated by reductions in state and federal assistance, or reductions in any other revenue source beyond the control of that local government entity. The County shall not take such action without a two-thirds vote of the Board of Supervisors.

Deleted: majority

- (D) If a loss or reduction in revenue, including state and federal assistance, or reductions in any other revenue source beyond the control of that local government entity occurs, proceeds from this Ordinance may be used to ensure public safety funding is not reduced below the adopted budget for the 2003/04 fiscal year as adjusted, only if local financial resources to public safety are not reduced more than the total percent of the loss or reduction within the affected year. Except as prescribed, Public Safety and Homeland Security Tax Act revenues received by the County or a City may not be utilized to meet the maintenance-of-effort requirements of the Act.

SECTION 3. Chapter 4.69 is hereby added to read as follows:

Chapter 4.69

adjusted to reflect reduced expenditures necessitated by reductions in state and federal assistance, or reductions in any other revenue source beyond the control of that local government entity. The County shall not take such action without a ~~two-thirds~~ vote of the Board of Supervisors.

Deleted: majority

3. The adopted budget for the 2003/04 fiscal year shall be adjusted for revenue exclusions. For each exclusion category, only those amounts that were appropriated for public safety services in the respective year's adopted budget are excludable. This applies to the "base year" and any subsequent year. Appropriations funded by the following budgeted revenues must be excluded:
 - a. Grant funds received by the county, city or any charter city from any source.
 - b. Asset forfeiture revenues received by the County and City, including any charter city.
 - c. Revenues budgeted including revenues from capital leases by the County or City, including any charter city, for capital outlay expenditures, which include any debt service payments or fixed asset purchase.
 - d. Revenues budgeted for providing public safety services under contract to another jurisdiction.
 - e. Revenues budgeted in the current fiscal year as a result of a change of organization or reorganization that became effective

public safety and homeland security services, the proceeds of this chapter shall be designated exclusively for the purposes specified in section

4.69.050. Local financial resources to the Sheriff and city law

enforcement agencies shall not be reduced below the adopted budget for the 2003/04 fiscal year as adjusted. ~~Beginning in fiscal year 2006-07, the~~

minimum maintenance-of-effort requirement shall be adjusted annually.

~~For fiscal year 2006-07 only, the minimum maintenance of effort~~

~~requirement shall be increased or decreased in accordance with the~~

~~difference between the actual amount of Public Safety and Homeland~~

~~Security Act funds allocated to the Sheriff or local law enforcement agency~~

~~for fiscal year 2005-06 and the estimated allocation for fiscal year 2006-07~~

~~but in no event shall it be less than the minimum maintenance of effort~~

~~requirement in the fiscal year 2003-04 base year. Beginning in fiscal year~~

~~2007-08 and each fiscal year thereafter, the minimum maintenance of~~

~~effort requirement shall be increased or decreased annually based on the~~

~~change in the amount allocated to the Sheriff or local law enforcement~~

~~agency from the Public Safety and Homeland Security Act Fund in the~~

~~immediately preceding fiscal year and the corresponding amount allocated~~

~~to the local agency in the next preceding fiscal year but in no event shall it~~

~~be less than the minimum maintenance of effort requirement in the fiscal~~

~~year 2003-04 base year.~~

2. The adopted budget for the 2003/04 fiscal year as adjusted may be

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Deleted: based on the increase or decrease in the U.S. Department of Labor, Bureau of Labor Statistics' Consumer Price Index for the Los Angeles-Riverside-Orange County Area (CPI) for the most recently published percentage change for the 12-month period for the preceding fiscal year, however, the annual adjustment shall not exceed three percent (3%).